

# PERFORMANCE MEASUREMENT MATTERS

DEPARTMENT OF MANAGEMENT & BUDGET  
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## ICAPS 2001

During their deliberations on the FY 2002 Budget in April, and considering the forecast for revenues and expenditures, the Board of Supervisors (BOS) determined that it is once again time to look at all County activities, programs and services (CAPS). The purpose of this exercise is to provide an opportunity to identify the services provided by the County, discuss how they are provided, and focus on their **performance**. This process will serve the dual purpose of educating the BOS, community, and County staff, while presenting the opportunity to re-examine how well these services are provided. Performance measures will be a key component in this analysis.

An agency director work group consisting of Sam Clay (Fairfax County Public Library), Ken Garnes (Department of Administration for Human Services), Wanda Gibson (Department of Information Technology), Kevin Greenlief (Department of Tax Administration), Armand Malo (Department of Purchasing and Supply Management), Dana Paige (Department of Family Services), Peter Schroth (Department of Human Resources), John Wesley White (Department of Public Works and Environmental Services), and Jim Zook (Department of Planning and Zoning) worked with Department of Management and Budget staff to provide input and insight in the planning and design stages of this project.

Agencies have the flexibility to determine specific CAPS in conjunction with the appropriate Deputy County Executive. A standard format for presenting information will be used. The CAPS are due in the Department of Management and Budget no later than Friday, July 27, 2001. This is to enable review and compilation for presentation to the BOS at the first Board meeting in September. The following members of the DMB ICAPS Committee are available if agencies have any questions:

Debra Dunbar, Chair .....	324-2045
Brian Heffern .....	324-4067
Elishia Krauss .....	324-4071
Chris Leonard .....	324-2880

## The Long and Winding Road to Performance Measurement in Public Housing

By Michael Finkle, Department of Housing & Community Development

While some may have thought that performance measurement would be a passing fad, its continued and even strengthened presence belies that notion. Hardly a day goes by without hearing about some program's performance. Governments at all levels are being rightfully asked to show that their use of public monies has somehow made a demonstrated difference in people's lives.

So staff everywhere are rushing to develop outcome measures to prove that their programs do indeed make a difference (and are of course worth funding for another cycle). However, in our zest to develop these measures, sometimes insufficient time is given to producing sound and meaningful performance measures.

One example of this phenomena has been the rather tortured development of a new performance measurement system for the public housing program under the U.S. Department of Housing and Urban Development. This system is called the Public Housing Assessment System or PHAS, and its development has been a history of starts, stops, lawsuits, Congressional inquiries, conflict between the industry and HUD, and it's only three-years-old!

Without going into the whole history, here is a little background on why and where we are today. Stung by criticism of lack of oversight and facing elimination as a Cabinet agency, HUD felt compelled to develop tough new standards to measure the effectiveness of our nation's 3,400 public housing authorities. In response to these factors, HUD developed PHAS, with the broadest set of measures ever used to measure performance by public housing authorities. Under PHAS, housing authorities are given a score of up to 100 points based upon four indicators: financial strength, management performance,

resident satisfaction, and the physical quality of the stock. HUD developed the system with the assistance of a private consultant, which may be where part of the trouble started.

From the beginning, housing authorities and their industry groups have, while supporting the need for performance measures, complained that PHAS is complex, unreliable and unfair. As someone who has been deeply involved with PHAS for the past three years, I have to state that some of these claims are true. In particular, housing authorities and their representatives have rightly complained about the unreliable and unfair outcomes of subcontracted inspections and the inconsistency of the scoring mechanism.

The list of complaints ranges from the petty to the important, but suffice it to say, Congress was concerned enough to call for a study of HUD's assessment system by the National Academy of Public Administration. The Academy studied PHAS and made several observations and recommendations. Their observations include the following:

- HUD is moving in the right direction, but its current system has deficiencies.
- Better partnerships with the industry would help HUD's system work more effectively.
- There are other approaches to monitoring that could help fill the gaps in HUD's current system.

The Academy also made the following specific recommendations to HUD. Many of the recommendations on this list could apply to the development of any performance measurement system:

- Modify the current system to make it more accurate, complete, workable, and acceptable to the industry.
- Make urgent operational improvements to refine the performance measures being used, improve electronic communication systems, improve HUD's staff capabilities to provide help, and make the appeals process more readily available, fair, and responsive.

(continued on page 2)

## ON LEADERSHIP

The difference between a boss and a leader: a boss says, "Go!" —  
a leader says, "Let's go!"

— E. M. Kelly, *Growing Disciples*, 1995

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## The Long and Winding Road to Performance Measurement in Public Housing (continued from page 1)

- Make longer term systemic improvements to increase flexibility, reduce administrative and data burdens, manage PHAS through performance contracts, and take advantage of opportunities for greater use of outcome-oriented techniques.
- Improve governance of the system by establishing an industry-based Housing Quality Board to advise the HUD Secretary on all such matters, and use effective consultation in rulemaking.

A follow-up article may be warranted in a few years to describe whether or not these recommendations are implemented. Until then, it is important to keep in mind the need to develop performance measures in close consultation with the partners responsible for implementing those measures. To do it any other way may result in unnecessary delay in the use of the measures as well as prolonged controversy regarding the measurement tool itself.

## Summer Reading Review

By George Hohmann, Department of Management & Budget

If you're looking for a quick but captivating read this summer, shelve Steele (Danielle), jettison John (Grisham), and put away Patricia (Cornwell). Challenge your gray matter with an interesting and informative look at performance measurement by a senior staff writer for *Governing* magazine. In his book, Measuring Up, Jonathan Walters addresses performance measurement in a more lighthearted way than most works on this subject. Walters provides stimulating arguments for why performance measurement is important, including a discussion of the "Eight Reasons Why You Can't Do Performance Measurement and Then the One Reason Why You Have No Choice." (You'll have to read the book to find out what these are.) Even the most cynical skeptic of performance measurement will have a hard time resisting Walters' humor and compelling examples.

Measuring Up addresses the theory behind performance measurement, but its real value lies in the actual government cases identifying where these ideas were implemented with positive results. For

example, Long Beach, California had a very high crime rate during the late 1980s and early 1990s so citizens there were understandably upset with the Long Beach Police Department (LBPD). There was even talk about contracting out the service to the local sheriff's department. Faced with growing discontent, the LBPD took a number of steps toward improvement that began with a citizen survey to find out specifically which areas were of greatest concern to citizens. The department didn't stop with the citizens though; they asked their own employees what they thought and got similar negative feedback. They then benchmarked themselves against 10 other departments around the state and found that while LBPD's costs were high, their rates of violent crime were as well. Walters' assessment, "We may be expensive, but at least we're ineffective" was that it wasn't the best slogan for the department.

To overcome that challenge, Long Beach developed a vision statement and a strategic plan to reduce crime cost-effectively. But in order to know if they were making progress toward that vision, they needed specific measures to determine if they were achieving the desired results. They came up with 100 indicators and after five years of focusing on performance, reduced serious crime by almost 40 percent, outperforming the national numbers (which were also dropping) in a number of categories.

Walters states that performance measurement is not just a fad that will go away in a few years. It will be around because citizens are demanding to see results for their tax dollars. It can be expected to evolve as changing conditions require the modification of measures to keep pace with expectations. This book is recommended for those new to performance measurement as well as those with experience. Walters' lighthearted approach makes this one of the more enjoyable books on performance measurement by fostering the notion that it is *not* an impossible task; it *is* important; and we're *all* in this together. And at only 172 pages of interesting examples, it's a very quick read. (Editor's Note: This book is available through CQ Press at 202-822-1475 for \$21.95 [includes shipping and handling].)

## PM TEAM – Changing of the Guard

The Performance Measurement (PM) Team is a multi-agency group formed over four years ago to provide support for the County's PM efforts. Throughout this period, the membership has rotated, with old members cycling off and new ones coming on. This helps to keep the perspective fresh as well as provides an opportunity to increase agency expertise Countywide. Each spring, existing members have the option to conclude their annual term (or continue it if they like) and potential new members are recruited. It is time to recognize the dedicated staff who have ended their terms as well as thank those who are willing to serve on the team for another year.

### Those "retiring" from the team include:

Mike Finkle, Dept. of Housing & Comm. Dev.  
Norm Graves, Dept. of Tax Administration  
Chuck Higdon, Dept. of Vehicle Services  
George Hohmann, Dept. of Mgt. & Budget  
Ed Jones, Dept. of Pub. Works & Env. Svcs.  
Chuck Peters, Police Department

### We welcome the following new members:

Sheila Bishop, Dept. of Vehicle Services  
Barbara Cohan, Police Department  
Dale Cooke, Dept. of Mgt. & Budget  
Darren Dickens, Dept. of Mgt. & Budget  
Dick Eckert, Community Services Board  
Stephen Knippler, Dept. of Housing & Comm. Dev.  
Elishia Krauss, Dept. of Mgt. & Budget

And finally, a really BIG THANKS to those PM members who have contributed to the team over the past year and have agreed to continue to serve for another cycle:

Evan Braff, Dept. of Comm. & Rec. Svcs.  
Laura Golberg, Dept. of Info. Technology  
Liz Henry, Dept. of Family Services  
Susan Herbert, Fire & Rescue Dept.  
Rose Hill-Evans, Dept. of Finance  
Doug Miller, Fairfax County Public Library  
Liz Smolen, Dept. of Pub. Works & Env. Svcs.  
Cathy Spage, Dept. of Info. Technology

## BROWNBAG LUNCH

The PM Team apologizes for the need to reschedule the June and October Brownbag Lunches. The rescheduled date is August 15, 2001 from noon-1 p.m. in Conference Room 120C of the Government Center. The topic is: Volunteer Impact – Make Your Case. Susan Herbert of the Fire and Rescue Department will share her expertise in coordinating volunteers and measuring related results. A number of County agencies use volunteers extensively and may not have thought of this as an area to measure or may have had difficulty addressing it in the past. Please bring your lunch and join us on August 15 to learn more about this topic.

